State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

# Memorandum

**TAB 72**

**To:** CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

**CTC Meeting:** September 26-27, 2012

**Reference No.:** 2.5e.(3)
Action Item

PASSED BY CTC SEP 2 7 2012 CALIFORNIA TRANSPORTATION COMMISSION

**From:** NORMA ORTEGA
Chief Financial Officer

**Prepared by:** Rachel Falsetti
Division Chief
Transportation Programming

**Subject:** **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT RESOLUTION FA-12-11**

## RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional $396,000 for one State Highway Operation and Protection Program (SHOPP) project identified below.

## ISSUE:

Additional funds are needed for one previously approved project in order to close out the contract.

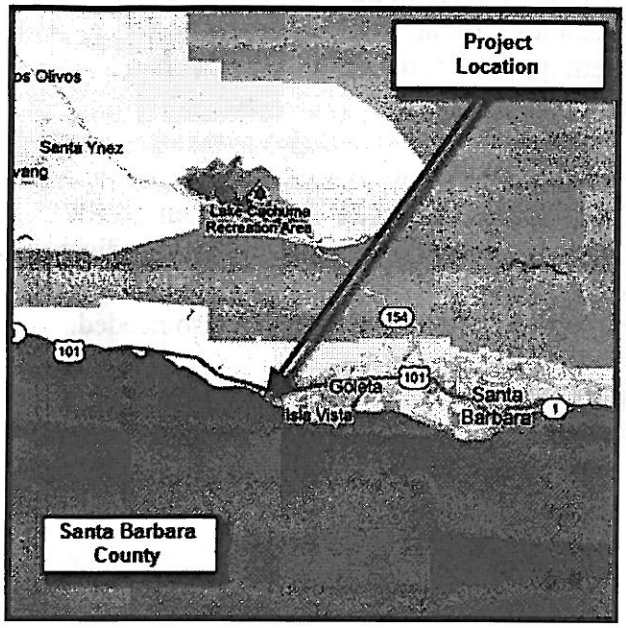
## RESOLUTION:

Resolved, that $396,000 be allocated from the Budget Act of 2012, Budget Act Item 2660-302-0042 and 2660-302-0890 to provide additional funds to close out the construction contract for the project identified below.

| Project | Dist-Co-Rte | Original allocated Amount | Original Award Amount | Current Allocation | Allocation Adjustment | Revised Allocation | % Increase Above Current Allocation |
|---|---|---|---|---|---|---|---|
| 1 | 05-SB-101 | $5,569,000 | $3,110,000 | $3,621,000 | $396,000 | $4,017,000 | 10.94% |

| Project #<br>Allocation Amount<br>Recipient<br>County<br>Dist-Co-Rte<br>Postmile | Location<br>Project Description<br>Reason for Supplemental Funds | PPNO<br>Program<br>Funding Year<br>Item #<br>Fund Type<br>Program Codes<br>Project ID<br>Adv Phase<br>EA | State<br>Federal<br>Current<br>Amount by<br>Fund Type | State<br>Federal<br>Additional<br>Amount by<br>Fund Type | State<br>Federal<br>Revised<br>Amount by<br>Fund Type |
|---|---|---|---|---|---|
| 2.5e.(3) - Supplemental Funds for Previously Voted Projects | | | | | Resolution FA-12-11 |
| 1<br>$396,000<br><br>Department of Transportation<br>Santa Barbara<br><br>05-SB-101<br>26.5/27.1 | In Goleta, at Hollister Avenue Overcrossing and Ellwood Overhead.<br>Outcome/Outputs: Replace and relocate the two structures and modify ramps in order to upgrade bridges to current seismic standards and improve interchange traffic operation and safety.<br><br>Supplemental Funds needed to close out the contract.<br><br>Total Revised Amount: $4,017,000<br><br>Additional Local funding: $5,270,000 (HBRR) and $19,000 (City of Goleta).<br><br>The two programmed projects were combined under EA 0M14U4 for construction purposes. | 05-1854<br>SHOPP<br>2008-09<br>302-0042<br>SHA<br>302-0890<br>FTF<br>20.20.201.113<br><br>05-1840<br>SHOPP<br>2008-09<br>302-0042<br>SHA<br>20.20.201.310<br><br>SHOPP<br>2010-11<br>302-0042<br>SHA<br>302-0890<br>FTF<br>20.20.201.113<br><br>SHOPP<br>2010-11<br>302-0042<br>SHA<br>20.20.201.310<br><br>SHOPP<br>2012-13<br>302-0042<br>SHA<br>302-0890<br>FTF<br>20.20.201.113<br>0500000165<br>4<br>0M14U4 | $336,000<br>$2,595,600<br><br>$672,700<br><br>$1,600<br>$12,000<br><br>$3,100 | $45,000<br>$351,000 | $336,000<br>$2,595,600<br><br>$672,700<br><br>$1,600<br>$12,000<br><br>$3,100<br><br>$45,000<br>$351,000 |

**PROJECT LOCATION:**



**PROJECT DESCRIPTION:**

The project is located near Goleta at Hollister Avenue Overcrossing (Bridge No. 51-123) and Ellwood Overhead (Bridge No. 51C-130). The Hollister Avenue/Route 101 interchange was constructed in 1961 as a modified diamond interchange. The Ellwood Overhead was built in 1933 along the original State Route 2 alignment that was later relinquished to Santa Barbara County with the realignment of Route 101 at its present location. The Ellwood Overhead spans the Union Pacific Railroad facility. The purpose of this project is to replace the structurally deficient Hollister Avenue Bridge to a new location using SHOPP funding (EA 05-37150), and to relocate the Ellwood Overhead to a new location using mostly federal Highway Bridge Replacement and Rehabilitation (HBRR) funds, City of Goleta matching funds, and SHOPP funds (EA 05-0M140).

**FUNDING STATUS:**

The project was programmed in the 2008 SHOPP at a total of $5,083,000 in Fiscal Year 2008-09 and includes an additional $5,119,000 in federal subvention (HBRR) funding, for a total of $10,202,000. On June 11, 2009, the Commission allocated SHOPP funds of $5,569,000. Bids came in under the estimate and the contract was awarded on December 22, 2009, with a total project allotment of $7,581,000, of which the SHOPP portion was $3,110,000. The balance is funded by subvention from the federal HBRR Program. To date, the project construction is complete and the contract was accepted on December 2, 2011. All authorized SHOPP funds are expended.

**REASON FOR INCREASE**

Following contract acceptance, the Contractor returned the Proposed Final Estimate (PFE) on March 13, 2012, with a list of numerous claims and disputes totaling $472,805.74. These disputes were a combination of disagreements regarding bid item quantities, unissued contract change orders, previous notice of potential claims, and potential interest owed.

The bid item quantities disputes included additional concrete for sidewalks and curb ramps, hot mix asphalt, drainage, and time related overhead (TRO). In addition, unissued contract change order disputes are mostly related to structural bridge concrete work, concrete disposal, oil price adjustments, increased work for street sweeping and traffic control, and standby equipment time. Furthermore, funds to resolve a notice of potential claim dispute regarding bridge joint seals are also needed.

The Department and the Contractor have been working on resolving these issues. As a result of this effort, agreement in principle has been reached to close out the contract resulting in the need for this supplemental $396,000.

**FUNDING OPTIONS:**

**OPTION A:** Approve this request for supplemental funds, as presented above, for $396,000 to allow closeout of this contract.

**OPTION B:** Deny this request. The Contractor in this case will likely file for arbitration and be awarded the requested amount including additional interest.

**RECOMMENDED OPTION:**

The Department recommends that this request for $396,000, as presented in Option A, above, be approved to allow closeout of this contract.